

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO

STATE OF NEW MEXICO *ex rel.*)
State Engineer,)

Plaintiff,)

1.)

ROMAN ARAGON, *et al.*,)

Defendants.)

No. CV 7941

RIO CHAMA Stream System

Sections 3, 5 and 7

**STATUS REPORT FOR
FEDERAL NON-INDIAN WATER RIGHT CLAIMS**

The State of New Mexico *ex rel.* State Engineer submits this report regarding the status of the United States' non-Indian claims to water on the Santa Fe National Forest within Section 5 (Rio Gallina) 5 and Section 3, and the federal Wild and Scenic Rivers Act claim, pursuant to the Special Master's request at the status conference on May 8, 2006.

1. **Federal non-Indian water rights claims in section 5:** The State and the United States met in Santa Fe with their technical staff on June 20, 2006 to identify and discuss the potential claims of errors in the claims identified in the State's proposed Consent Order, served on the United States and the Acequias on December 15, 2006. As a result of the meeting, the United States is reducing the number of its potential additional claims, and will provide a final list of additional claims to the State by July 7, 2006. The State and the United States believe that field work on the remaining additional claims can be completed by the United States, accompanied by the State, in no more than three weeks. The anticipated start date is the week of July 10, 2006. The acequia(s) participating in the adjudication of Section 5 will be advised of the schedule for conducting the field inspections and representatives of the acequia(s) shall be invited to participate in the inspections.

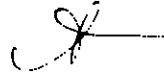
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The only revisions the State currently proposes for the current Scheduling Order for Federal Non-Indian Water Rights Claims, as amended by Order of October 13, 2005 (No. 8029), is to propose dates for the State to serve a revised proposed Consent Order, including any additional claims recognized by the State, and for the United States and the Gallina-Capulin Acequia Association to file objections or a Motion to Intervene, respectively. The parties should have dates to propose to the Special Master after the completion of the additional field inspections, which should be before the next Status Conference on August 6, 2006.

2. **Federal non-Indian water rights claims in section 3.** The State has continued to conduct field inspections of the United States' claim sites in Section 3, and have completed inspections of approximately 40 sites so far this field season. Based upon the limited amount of field work that has been identified for the inspection of additional sites in Section 5, the State does not anticipate at this time that the October 2, 2006 deadline for the completion of field inspections under the current scheduling order will need to be amended.

3. **Wild and Scenic Rivers Act Claim.** The State and the United States have focused on the adjudication of the Wild and Scenic Rivers Act claim on the Rio Jemez, and have reached agreement on the substantive terms, with only a few phrases remaining to be agreed upon between the parties. The parties anticipate that a final agreement will be reached before the settlement conference scheduled before J. Leslie C. Smith in Las Cruces on July 13, 2006. Once the parties have reached final agreement on the Jemez Wild and Scenic Rivers Act claim consent order, the State and the United States anticipate that reaching a final agreement on the Rio Chama claim will be greatly assisted. There are a few technical issues remaining on the Rio Chama that are not present on the Rio Jemez, to which the parties will then be able to focus their negotiations. The parties do not believe that litigation is necessary at this time.

Respectfully Submitted,



Arianne Singer
Special Assistant Attorney General
Attorney for the State of New Mexico *ex rel.*
New Mexico State Engineer
P.O. Box 25102
Santa Fe, NM 87504-5102
Telephone: (505) 827-6150

CERTIFICATE OF SERVICE

I certify that a copy of this status report was served via first class mail on the following persons on the 23rd day of June, 2006.

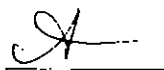
Special Master Vickie Gabin
U.S. District Court
P. O. Box 2384
Santa Fe, NM 87504-2384

Mary Humphrey, Esq.
Humphrey & Ode, P.C.
P.O. Box 1574
El Prado, NM 87529-1574

David Gehlert, Esq.
U.S. Dept. of Justice ENRD
999 18th St., Suite 945
Denver, CO 80302

Karla McCall, Data Manager
AquaTek
1315 Sagebrush SW
Las Lunas, NM 87031

John W. Utton, Esq.
Sheehan Sheehan & Stelzner PA
P.O. Box 271
Albuquerque, NM 87103-0271



Arianne Singer